

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:  
THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**REPLY OF PUERTO RICO SALES TAX FINANCING  
CORPORATION TO RESPONSES FILED TO TWELFTH  
OMNIBUS OBJECTION (NON-SUBSTANTIVE) TO DUPLICATE CLAIMS**

The Puerto Rico Sales Tax Financing Corporation (“COFINA”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as COFINA’s representative pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),<sup>2</sup> files this reply (the “Reply”) in support of *Puerto Rico Sales Tax Financing Corporation’s Twelfth Omnibus Objection (Non-Substantive) to Duplicate Bond Claims* (the “Twelfth Omnibus Objection”), and in support of the Reply, respectfully represents as follows:

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA” and together with the Commonwealth, COFINA, HTA, and ERS, the “Debtors”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

<sup>2</sup> PROMESA is codified at 48 U.S.C. §§ 2101-2241.

1. On December 4, 2018, COFINA filed the Twelfth Omnibus Objection, seeking to disallow in their entirety five hundred (500) duplicate proofs of claim (the “Duplicate Claims”), as listed on Exhibit A thereto. As set forth in the Twelfth Omnibus Objection, each of the Duplicate Claims asserted liability associated with one or more municipal bonds issued by COFINA that were duplicative of one or more master proofs of claim (each, a “Master Proof of Claim,” and together, the “Master Proofs of Claim”), which were filed in COFINA’s Title III case by Bank of New York Mellon (“BNYM”), as trustee of the prepetition bonds issued by COFINA. Pursuant to the Court-approved order, any party who disputed the Twelfth Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on February 1, 2019.

2. Five responses to the Twelfth Omnibus Objection were interposed. The parties were able to resolve two of those responses, which were withdrawn from the docket. Three responses remain pending: a) a letter filed by Rafael Bracero Torres (the “Torres Response”) [ECF No. 4685]; b) the *Answer to Twelfth Omnibus Objection to Claims (Non-Substantive) to Duplicate Bonds Presented by Puerto Rico Sales Tax Financing Corporation* (the “Jayuya Response”) [ECF No. 4825], filed by Cooperativa de Ahorro y Crédito de Jayuya (“Jayuya”); and c) the *Answer to Twelfth Omnibus Objection to Claims (Non-Substantive) to Duplicate Bonds Presented by Puerto Rico Sales Tax Financing Corporation* (the “Caribe Response”) [ECF No. 4828], filed by Cooperativa de Ahorro y Crédito Caribe Coop. (“Caribe”).

**I. The Torres Response**

3. On January 4, 2019, claimant Rafael Bracero Torres (“Torres”) filed the Torres Response, wherein he provided “clarifications” on his views regarding the treatment of senior COFINA bonds pursuant to the *Second Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation*, ECF No. 4392, subsequently amended on January 9, 2019, ECF No. 4652 (the “Plan”). Torres objected to the Plan as “onerous for all local people,” and “threaten[ing] ... to the economic recovery of” Puerto Rico. Torres Response ¶ 3.

4. As the Court is well aware, the *Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* (the “Plan”) [ECF No. 4652] was confirmed by the Court on February 4, 2019. *See Order and Judgment Confirming the Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [ECF No. 5048]. On February 5, 2019, the Court issued an *Amended Order and Judgment Confirming the Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [ECF No. 5055] (the “Amended Order”). The Plan became effective on February 12, 2019, when the conditions set forth in Section 25.1 of the Plan were satisfied. *See Amended Order* at 20.

5. The Torres Response did not address Torres’s own claim. The Torres Response also does not dispute COFINA’s assertion that the claim is duplicative of a Master Proof of Claim, and should be disallowed in its entirety on that basis. Moreover, Torres’s concerns regarding confirmation of the Plan have been resolved by this Court’s amended memorandum of findings of fact and conclusions of law in connection with confirmation of the Plan, as well as its amended order confirming the Plan. *See Amended Order*.

## **II. The Jayuya Response**

6. On January 16, 2019, Jayuya filed the Jayuya Response. Jayuya filed its proofs of claim against COFINA on or about May 17, 2018, and they were logged by Prime Clerk as Proofs of Claim Nos. 16549, 16555, 16560 and 16425 (“Jayuya Claims”). The Jayuya Response stated that the Twelfth Omnibus Objection did not provide Jayuya notice that their claims were subsumed by BNYM in a master proof of claim. *See* Jayuya Response, ¶ 6.

7. The Jayuya Claim asserts liabilities associated with bonds issued by COFINA bearing CUSIP numbers 74529JNL5, 74529JLH6 and 74529JLE3. Those CUSIP numbers appear on a master proof of claim filed by BNYM and logged by Prime Clerk as Proof of Claim No. 31920. Accordingly, the Jayuya Claim does, in fact, assert liabilities associated with a prepetition subordinate bond issued by COFINA and is duplicative of a master proof of claim. The Jayuya Response does not refute COFINA’s showing that the Jayuya Claim is duplicative.

## **III. The Caribe Response**

8. On January 16, 2019, Caribe filed the Caribe Response. Caribe filed its proofs of claim against COFINA on or about May 25, 2018, and they were logged by Prime Clerk as Proofs of Claim Nos. 24724 and 29857 (“Caribe Claims”). In the Caribe Response, Caribe stated that the Twelfth Omnibus Objection did not provide them notice that their claims were subsumed by BNYM in a Master Proof of Claim. *See* Caribe Response, ¶ 6.

9. The Caribe Claim asserts liabilities associated with bonds issued by COFINA bearing CUSIP numbers 74529JHD0 and 74529JPJ8. Those CUSIP numbers appear on Master Proofs of Claim filed by BNYM and logged by Prime Clerk as Proofs of Claim Nos. 33139 and 31920. Accordingly, the Caribe Claim does, in fact, assert liabilities associated with prepetition

subordinate and senior bonds issued by COFINA and is duplicative of a Master Proof of Claim.

The Caribe Response does not refute COFINA's showing that the Caribe Claim is duplicative.

10. Accordingly, COFINA respectfully requests that the Court grant the Twelfth Omnibus Objection as to the Duplicate Claims.

Dated: March 6, 2019  
San Juan, Puerto Rico

Respectfully submitted,

/s/ Ricardo Burgos Vargas

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**CERTIFICATE OF SERVICE**

I hereby certify that on March 6, 2019, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification to all counsel of record, and all CM/ECF participants in the case.

/s/ Ricardo Burgos Vargas

Ricardo Burgos Vargas